

2 November 1954

MEMORANDUM FOR: Chairman, EDAC Executive Committee

FROM : Acting Chairman, Economic Defense Intelligence Committee

SUBJECT : Executive Committee Reaction to ING/R-16, Final Report and Recommendations of the ING Subgroup on External Financial Operations of the Soviet Bloc

1. On 12 March 1954 a copy of ING/R-16 was furnished each member of the Executive Committee. This report transmitted, for appropriate action by the Executive Committee, the ING recommendation (OIR and BFC dissenting) that:

"a unit within an appropriate division or component of an intelligence agency be assigned the responsibility of coordinating on a continuing basis within the Government, the review, collation and analysis of incoming intelligence on the external financial operations of the Soviet bloc, and undertaking, on its own initiative, such intelligence support work, as may be required to meet the priority needs of the action agencies, where other facilities are not available."

2. This report was prompted by the Financial Measures section of NSC 104/2 and a special request of the EDAC Steering Group. At the ING meeting of 23 April 1953 the DMS (now MDAC) member declared that the study of Soviet external financial operations was a matter of urgent interest to DMS, and that a great deal of information on the subject would be required from the standpoint of expanded financial controls.

3. The MDAC member was requested at the ING meeting of 22 July 1954 to ascertain the reaction of the Executive Committee to the ING report. This request was reiterated at the ING meeting of 26 August.

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4. Since there has been no Executive Committee response to these requests, it is assumed that the Executive Committee has no further interest in this matter and that no further action is required on the part of the EDIC.

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Acting Chairman  
Economic Defense Intelligence Committee

D/E/RR:JAG:gg (2 November 1954)

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